



Workers' Compensation Commission

Commission Seeking Comments On Hospital Payment System – Implant Carve Out

The South Carolina Workers' Compensation Commission is considering a change to its Hospital Inpatient Payment System to include a carve out for implantable devices. Under this proposal, payments would continue to be determined by DRG, diagnosis related groups. For those discharges involving an implantable device, payment would be made based on the DRG assignment and the cost of the implant. While specifics of this proposal have not been established, the Commission is seeking comments on the possibility of such a change.

The present hospital payment system for inpatient care was established in 1997 and revised in 2006. It is based on diagnosis related groups, a classification which assigns inpatient claims based on diagnoses, procedures performed, complications, co-morbidities, signs and symptoms and discharge status. A DRG payment system is prospective in nature in that the price is set prior to services being rendered. Payment is based on the diagnosis related group the claim is assigned and determined by the resource needs for the average patient for that diagnosis group. Also included in this determination is length of stay and intensity of services. The DRG classifications used are those developed by the Centers for Medicare and Medicaid Services for the Medicare program. The maximum allowable payment is the Medicare payment rate plus 40%.

All comments and recommendations are welcomed and can be submitted to the Medical Services Division, South Carolina Workers' Compensation Commission, Post Office Box 1715, Columbia, South Carolina 29202-1715. To allow time for full consideration, comments must be submitted by July 31, 2009. A public hearing also will be held to receive comments. The public hearing will be held Wednesday, July 22, 2009 at 10:00 am at the offices of the Commission, 1333 Main Street, Columbia, South Carolina.